

## Message Text

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21

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 COME-00 DODE-00 DOTE-00

FMC-02 INR-07 NSAE-00 CG-00 OFA-01 DLOS-05 /033 W

----- 110945

P 040855Z APR 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 1931

INFO AMEMBASSY TOKYO PRIORITY

UNCLAS MANILA 4224

PASS TO B.T. KYLE, OFFICE, DOMESTIC SHIPPING, MARAD,  
USDOC, WASHDC FROM REGMARATT/SOMECK

E.O. 11652: N/A

TAGS: ECON, TW

SUBJ: VESSEL SALES

1. EARLIER THIS WEEK IN TAIPEI, MET WITH ING-CHENG TZENG, ONE OF THE MINOR PARTICIPANTS IN THE ANDROMEDA CASE. IN WHAT CAN BEST BE DESCRIBED AS A CONFESSION, TZENG REVEALED THAT, FROM THE BEGINNING, THE INTENTIONS OF BUYER AND SELLER WERE TO SCRAP THE ANDROMEDA. FROM MEMORY, TZENG PROVIDED MANY DETAILS OF THE TRANSACTION WHICH I HAVE NOTED. UNFORTUNATELY, HE HAS NO DOCUMENTS OR CORRESPONDENCE TO SUPPORT THOSE DETAILS. HE IS WILLING TO MAKE A FORMAL STATEMENT TO ME WITNESSED BY AMERICAN CONSUL TAIPEI OR TO AMCONSUL WITNESSED BY ME WHICHEVER IS SUITABLE.

2. TZENG'S MOTIVES FOR COOPERATING, IN MY CONSIDERED OPINION ARE NOT COMPLETELY ALTRUISTIC. HE IS NOW EMPLOYED BY AN AMERICAN FIRM BASED IN SEATTLE WHICH WILL REQUIRE HIS VISITING AMERICA ON OCCASION AND HE PROBABLY WANTS TO ASSURE THAT HIS INVOLVEMENT WITH ANDROMEDA WILL NOT PREVENT ENTRY TO U.S. OR BE MADE KNOWN TO HIS NEW EMPLOYERS. I AM FAMILIAR WITH THE FIRM, ITS PRESIDENT AND AM CLOSE FRIEND OF THE EXECUTIVE VICE PRESIDENT. I  
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HAVE PROVIDED TZENG WITH AN ASSURANCE THAT, IN EXCHANGE

FOR HIS COOPERATION, I WOULD DO ALL POSSIBLE NOT TO REVEAL HIS ACTIVITIES TO THE FIRM. I MADE NO PROMISES VIS-A-VIS JUSTICE.

3. THE PRINCIPALS INVOLVED IN THE CASE ARE:

A) K.P. HUANG, CHAIRMAN, NAN KWANG STEEL CO., LTD., KAOHSIUNG. TAIWANESE CITIZEN/RESIDING TAIPEI.

B) J.T. HSU, GENERAL MANAGER, NAN KWANG STEEL, TAIWANESE CITIZEN RESIDING KAOHSIUNG.

C) T. YIN, MANAGER, NAN KWANG STEEL, TAIWANESE CITIZEN RESIDING KAOHSIUNG.

D) R.S. KIMBERK, PACIFIC CENTRAL, LOS ANGELES, U.S. CITIZEN RESIDING CALIFORNIA.

E) WILLIAM S. HSIAO, DIRECTOR OF PACIFIC CENTRAL. NATURALIZED AMERICAN. BIRTHPLACE UNKNOWN. RESIDING AT 1743 PURDUE STR. #7, LOS ANGELES. MARRIED TO NATURALIZED AMERICAN BORN OSAKA.

F) FRANK WU, TAIWANESE, HOLDING GREEN CARD, RESIDING AT 12703 LAMANDA STREET, #3 LOS ANGELES. MARRIED TO NATURALIZED CANADIAN BORN TAIPEI.

G) ING-CHENG TZENG (AKA STEPHEN TZENG), TAIWANESE CITIZEN, RESIDING IN TAIPEI.

FYI HSU IS MARRIED TO WU'S SISTER. HSIAO, WU AND TZENG WERE INTERMEDIARIES REPRESENTING NAN KWANG. AT THE TIME, NONE WAS REGULARLY EMPLOYED AND THEY SIMPLY ACTED AS SORT OF ITINERANT AGENTS FOR NAN KWANG. TZENG'S SIGNATURE APPEARS ON SOME OF THE DOCUMENTS INVOLVED IN TRANSACTION.

4. TZENG ADVISED THAT FUNDS FOR PURCHASE OF VESSEL ORIGINATED WITH NAN KWANG. LETTER OF CREDIT IN AMOUNT US \$760,000 OPENED THROUGH BANK OF CHINA FAVOR OF KIMBERK AND/OR PACIFIC CENTRAL IN DECEMBER, 1973. THIS CAN BE UNCLASSIFIED

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VERIFIED THROUGH BANK OF AMERICA'S INTERNATIONAL DIVISION, LOS ANGELES, STEVE CHEN. VESSEL WAS PURCHASED FROM MARINE EQUIPMENT SUPPLY COMPANY, SEATTLE (DO NOT HAVE ANDROMEDA FILE WITHME, BUT CANNOT RECALL ANY PREVIOUS MENTION SEATTLE FIRM). PURCHASE PRICE WAS \$105 LDT (METRIC) PLUS \$40 PER LDT FOR TOWING AND OTHER EXPENSES. SOMETIME IN APRIL/MAY 1974 I VISITED NAN KWANG AND WARNED THEM NOT TO SCRAP VESSEL. YOU MIGHT RECALL THAT I SENT YOU A REPORT CONCERNING THIS

MEETING AND MENTIONED BEING SHOWN A TELEX NAN KWANG HAD RECENTLY RECEIVED FROM PACIFIC CENTRAL. THE TELEX OUTLINED SOME DETAILS REGARDING CONVERSION WORK TO BE PERFORMED. TZENG ADVISES THAT THIS PARTICULAR TELEX WAS CONTRIVED FOR MY BENEFIT WHEN NAN KWANG WAS NOTIFIED (ONE DAY IN ADVANCE) OF MY VISIT.

5. AS MENTIONED, DO NOT HAVE FILE. HOWEVER, HAVE ENDEAVORED INCLUDE IN THIS TELEGRAM ALL KNOWN FACTS RELATIVE TO ANDROMEDA WHICH I HAVE NOT CONVEYED TO YOU PREVIOUSLY. ALTHOUGH HAVE NOT RECEIVED ANY RECENT COMMUNICATIONS FROM YOU REFERENCE ANDROMEDA, ASSUME CIVIL ACTION, SIMILAR TO THAT IN LIU CASE, IS BEING PURSUED BY JUSTICE. SHOULD YOU REQUIRE FORMAL STATEMENT FROM TZENG, ADVISE FORM OF STATEMENT, CONTENTS REQUIRED AND OTHER DETAILS TO SOMECK CARE GETZINGER, AMCONSUL HONG KONG, EIGHTH THROUGH ELEVENTH APRIL, AND I WILL STOP IN TAIPEI AGAIN. SOMECK.  
SULLIVAN

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** SHIPS, SALES, MARINE TRANSPORTATION, FRAUDS  
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**Decaption Date:** 01 JAN 1960  
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**TAGS:** ECON, TW, (ING-CHENG TZENG)  
**To:** STATE  
**Type:** TE  
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